GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:270
ANSWERED ON:11.08.2005
NEW CATERING POLICY
Chandrappan Shri C.K.;Reddy Shri Suravaram Sudhakar

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government has introduced New Catering Policy, 2005 in Railways;

(b) if so, the salient features thereof;

(c) whether the Government has incorporated various demands of the Catering Associations in the New Catering Policy,2005;

(d) if so, the details of the demands made by Catering Associations and out of them which were accepted and included in the said policy;

(e) whether some representatives of the public had raised objections against some provisions of the new policy which adversely affected the existing small tea stall vendors at various Railway stations; and

(f) if so, the details thereof and the Government's reaction thereto ?

Answer

MINISTER OF RAILWAYS (SHRI LALU PRASAD)

(a) to (f): A statement is laid on the Table of the Sabha.

STATEMENT REFERED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 270 BY SHRI SURAVARAM SUDHAKAR REDDY, SHRI C.K. CHANDRAPPAN TO BE ANSWERED IN LOK SABHA ON 11.08.05 REGARDING NEW CATERING POLICY

(a) & (b): Yes, Sir. Catering Policy, 2005 has been introduced with effect from 16.03.2005. The salient features of the Catering Policy 2005 are as Under: -

Major and small catering units defined clearly

Licences at small stations i.e. 'D', 'E' & 'F' category stations, which are very large in numbers (nearly 7100 stations), will continue to perform as they are subject to satisfactory performance. New licences would be awarded by calling applications through Press notifications. These licences will be renewable every 5 years subject to satisfactory performance.

All licences at 'A', 'B', & 'C' category stations in reserved category will continue to perform as they are subject to satisfactory performance. Licences at new locations will be awarded by calling for applications. These licences will be renewed every 3 years subject to satisfactory performance.
Transparent two packet open tendering system on competitive bidding basis will be followed for award of static units at 'A', 'B' & 'C' category stations for unreserved categories.

Transparent two packet open tendering system on competitive bidding basis will also be followed for award of mobile catering units and major static units.

Existing licensees will be permitted to participate in tenders against existing licences presently held by them irrespective of financial turnover criteria.

No departmental catering unit will be opened in future. Henceforth all catering units will be awarded to licensees

Reservation of 49.5% for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Minorities at 'D', 'E' & 'F' category stations, which are large in number (approximately 7,100) and form 88% of the total railway stations over the Indian Railways. 10% reservation will be for freedom fighter and women including war widows and widows of railway employees and 2% reservation for physically & mentally handicapped within the 50.5% of general category and 49.5% of reserved categories in allotment of catering units at 'D', 'E' & 'F' category stations.

Reservation of 25% for reserved categories in award of small catering units at 'A', 'B' & 'C' category stations.

A ceiling of 15% within each type of major units and overall ceiling of 10% in overall major catering units in holding by a particular licensee.

There will be no renewal after expiry of the contract of those units which are awarded through open tender system.

(c) Yes, Sir.

(d) Main demands of the various catering associations were as under: -

1. Existing licencees should be given further renewal/extension of the existing licences.

2. Financial criteria for participating in tender should be relaxed and existing licencees should be exempted from it.

Demands accepted by the Government: -

1. Ministry of Railways has incorporated in the Catering Policy 2005, the provision of renewal/extension of all existing licences at 'D', 'E' and 'F' category stations and reserved category small unit licences at 'A', 'B' & 'C' category stations.

2. Ministry of Railways has also incorporated in the catering policy 2005, the provision of relaxation in eligibility criteria of financial turnover for the existing licencee in the tenders against existing licences for the respective units held by them. Financial turnover criteria were lowered in case of tenders for food plazas at smaller stations.

(e) & (f): Representatives of public have represented to the Government against non-renewal of static units at all stations in the country.

Major part of concern of the representatives of public has already been taken care of in the New Catering Policy. At all 'D', 'E' & 'F' category stations which form the majority of stations on Indian Railways as well as reserved categories of stalls at 'A', 'B' & 'C' category stations are as per New Catering Policy to continue as they are subject to satisfactory performance.

Those static unit licences in non-reserved categories at 'A', 'B' & 'C' category stations which were to undergo a two packet competitive open tender process after expiry of their term so as to realize higher revenues for the Railways which Railways have proposed to redeploy back in improvement of catering services have been temporarily pended upto October 31, 2005.